

BILL ANALYSIS

Senate Research Center

H.B. 2495
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Business & Commerce
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Enrolled

DIGEST AND PURPOSE

Under current law, a valet parking service is not required to have liability insurance. A person who sustains injury or whose property is damaged by an employee of a valet service that does not have liability insurance must either pay for the damages out of pocket or have their insurance cover the costs, which may lead to higher insurance premiums. H.B. 2495 requires a valet parking service to assume financial responsibility for each employee who operates a motor vehicle for the service.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 7H, Transportation Code, by adding Chapter 686, to read as follows:

CHAPTER 686. VALET PARKING SERVICES

Sec. 686.001. DEFINITIONS. Defines “financial responsibility,” “public accommodation,” and “valet parking service.”

Sec. 686.002. REQUIREMENT OF FINANCIAL RESPONSIBILITY FOR VALET PARKING SERVICES. Prohibits a person from operating a valet parking service unless financial responsibility for each employee who operates a motor vehicle for the service is established through certain means.

Sec. 686.003. EVIDENCE OF FINANCIAL RESPONSIBILITY. (a) Requires the owner or operator of a valet parking service to provide evidence of financial responsibility in the same manner as required under Section 601.053.

(b) Requires the owner or operator of a valet parking service to exhibit, for public inspection, evidence of financial responsibility at a public accommodation whose patrons use the service.

Sec. 686.004. MINIMUM COVERAGE AMOUNTS. (a) Sets forth the minimum amounts of motor vehicle liability insurance coverage required to establish responsibility under this chapter.

(b) Requires the comprehensive general liability insurance to be on a broad form and provide limits of liability for bodily injury and property damage of not less than \$300,000 combined single limit, or the equivalent.

(c) Requires the garage insurance to provide limits of liability for bodily injury and property damage of not less than \$300,000 combined single limit, or the equivalent, and to provide certain coverages.

Sec. 686.005. COMMON LAW DEFENSES. Sets forth provisions regarding the defense of a party who brings an action.

Sec. 686.006. OPERATION OF MOTOR VEHICLE IN VIOLATION OF FINANCIAL RESPONSIBILITY REQUIREMENT; OFFENSE. (a) Provides that a person commits an offense if the person, while in the course and scope of the person's employment with a valet parking service, operates a motor vehicle of a patron of the service without the financial responsibility required by this chapter.

(b) Provides that except as provided by Subsections (c) and (d), an offense under this section is a misdemeanor punishable by a fine of not less than \$175 or more than \$350.

(c) Provides that if a person has been previously convicted of an offense under this section, an offense under this section is a misdemeanor punishable by a fine of not less than \$350 or more than \$1,000.

(d) Authorizes the court, if the court determines that a person who has not been previously convicted of an offense under this section is economically unable to pay the fine, to reduce the fine to not less than \$175.

Sec. 686.007. DEFENSE: FINANCIAL RESPONSIBILITY IN EFFECT AT TIME OF ALLEGED OFFENSE. Provides that it is a defense to prosecution under Section 686.002 that the person charged produces one of the documents listed in Section 601.053 that was valid at the time the offense is alleged to have occurred.

SECTION 2. Effective date: September 1, 2001.